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WESTERN REGION

in this issue:

- > News you can use
Business will benefit from new job seeker tool.
- > Company Profile:
Eagle Foundry Continues to Soar
- > Industry Sector Focus:
Health Care Employment in Utah
- > Utah Economic Data
Viewer Makes Cents for You

State of Utah

Department of Workforce Services



Western Region
Jan Thompson
Regional Director

40 South 200 East
St. George, UT 84770
(435) 688-3100
(435) 688-3139 fax

Western Region Counties Appear to Have Turned the Economic Corner

Although each county's economy is different, most areas are adding new employment at a healthy rate.

by Lecia Langston, Western Region Economist

Sometimes, it's not easy being an economist. Here I have this assignment to write about "Western Region" economic trends and outlook. Okay, you're thinking, "You're an economist for the Western Region, that's what you do. How could this be so difficult?" Well, I'll let you in on a secret—in the area comprised by the "Western Region" of Utah, no two county economies are alike. One county may be creating jobs like crazy, while its neighbor may be languishing in an economic decline.

Plus, Washington County accounts for 50 percent of the employment in the Western Region (which includes Beaver, Garfield, Iron, Juab, Kane, Millard, Piute, Sanpete, Sevier, Washington, and Wayne counties). This means any examination of total figures for the region will be dominated by a very hale and hearty Washington County. This means, I'm going to disobey orders and talk about counties.

They're Different

Let's take a quick look at each county's job performance in 2003. Then, their performance in 2004 might just give us a clue as to where their economies are headed. (If your interest is really piqued, you can check out all the additional

information available on our web site—jobs.utah.gov/wi—click on "County and Local Info.")

Last year, most counties in the region joined the U.S. and Utah in the "jobless recovery." During 2003, a majority of Western Region counties either lost employment or barely eked out a job gain. Really, only three counties—Piute, Kane, and Washington—managed healthy expansion.

They've Turned the Corner

But, the area seems to have turned the economic corner in early 2004. During the first quarter of the year (the most current data available), almost all of the Western Region counties were back in the job-creation high life. Only two counties of the 11 total showed employment losses when compared to the first quarter of 2003.

Although Sanpete County's employment figures just barely landed in the red for the entire first quarter, it had rebounded into positive territory by March. Wayne County was the only one of the group to experience continued and significant job loss.

You might also be interested in the fact that employment growth in most Western Region

(Continues on page 4)

UPCOMING EVENTS/SEMINARS

October 26, 2004 - Better Your Business Workshop - Breakfast with an Economist - Lecia Langston, Western Region Economist. 7:30-9:00 a.m. Cost \$5.00 with continental breakfast. St. George Employment Center. 162 N. 400 E. RSVP Kim Johnson at 435-986-3541

The **Nephi Employment Center** and the **Chamber of Commerce** host workshops and seminars during the Chamber meetings at the Salt Creek Steak House, 22 North Sheep Lane in Nephi. Meetings start at 12:00 noon.

October 6, 2004 - Rights and Responsibilities of Employers - presented by an attorney from the Disability Law Center in SLC.

November 2, 2004 - Candidates for elections in Juab County will present their platforms and reasons they should be elected.

December 7, 2004 - Follow-up to Good Customer Service - Jerry Hawley, Community Education Director from Snow College

News You Can Use

Businesses will benefit from new job seeker tool!

The Workforce and Education Development Alliance (WEDA) comprised of the Department of Workforce Services, Utah State Office of Education, Utah System of Higher Education and Utah State Office of Rehabilitation, has partnered to create careers.utah.gov.

This portal web site is a comprehensive school-to-retirement career exploration and planning solution. The information will assist students in selecting the most appropriate courses to prepare for work, technical training and/or college, thus ensuring a more educated and qualified workforce for Utah businesses. It will also assist post-secondary students who enter the workforce after graduation, as they need current, useful information on occupational choices that match employer needs. Laid-off workers can benefit as they may need similar labor market intelligence to provide them with information on possible retraining to prepare them to re-enter the labor market.

Although there are several valuable web-based resources that provide information to help guide all types of job seekers down successful career paths, this collaborative effort puts the most useful information into a single powerful toolbox of both information and job opportunities. [Careers.utah.gov](http://careers.utah.gov) will connect these existing online resources to help all Utah citizens in making informed career decisions about education, training and employment, no matter where they are in their employment life cycle. Check out the web site at: careers.utah.gov for more information!

Company Profile

Eagle Foundry Continues to Soar

Despite declining employment trends in Utah's manufacturing industry, some small firms, like Eagle Foundry of Orem Utah, have found their niche and continue strong in the manufacture of a unique product line.



Founded in 1985 by Charles Shepherd, the foundry found its niche in the manufacture of bronze grave markers and plaques. According to James Shepherd, employee and family member, "95% of our business is grave markers. Only about 5% is architectural and industrial casting." Adding to the success of the foundry is the relatively few numbers of competitors; both locally and nationwide. According to Mr. Shepherd, Eagle Foundry is the only manufacturer of its type in Utah. "Nationally, there is only one large manufacturer and several smaller companies like ours."

According to Mr. Shepherd, "Nearly all of the foundry's product is shipped outside the state and, at times, outside the country." Around the state and country, Eagle Foundry is responsible for a number of those plaques seen at state landmarks such as *This Is The Place Monument*. Among its more unique projects, the foundry created three 400-pound plaques to be placed on a sunken ship off the coast of Florida.

Eagle Foundry currently employs approximately 11 individuals; most of whom are family. More than 10 years ago, the company held a federal contract for the manufacture of grave markers for deceased servicemen and employed as many as 35. Since then, the business has moved away from contracts to the filling of individual orders, allowing for much more customized work. Within that niche, Eagle Foundry has remained strong and doesn't anticipate much of a change in business over the next few years.

Were dramatic changes to take place, Eagle Foundry is confident that they would be able to quickly adapt and meet the changing market, utilizing the recruitment services and economic information of the Utah Department of Workforce Services to keep their company soaring high.

Industry Sector Focus: Health Care Employment in Utah

The Health Care industry is an important economic driver in Utah. In 2003, this industry provided \$3.1 billion in Utah wages. At present, roughly one in 16 Utah workers are employed in health care occupations. The ratio is closer to one in 10 Utah workers, when all occupations in the health care industry are included.

The health care industry has both immediate and future occupational needs. There are worker shortages across the entire nation. Worker shortages are reflected in Utah's health care statistics as well. Utah has the third most severe Registered Nurse (RN) shortage in the nation, and the RN vacancy rate for nursing homes—24.3 percent in 2003—is the highest in the country, according to a Utah Hospitals and Health Systems Association report (2002).

Aging demographics suggest that health care job openings are not just a short-term phenomenon. The Utah Governor's Office of Planning and Budget estimates that between 2003 and 2025, Utah's population of 65 and older will grow by 110 percent, resulting in 433,000 people over the age of 65. Meanwhile, it is projected that between 2002-2012, Utah's health care industry will grow at a rate of 4.3 percent annually.

Compounding Utah's aging demographics and the resultant growth in health care occupational openings is the aging of the health care workforce itself. Many health care clinicians will retire at a time when the state's aging population requires

increased health care services. A Utah Hospitals and Health Systems Association report (2003) outlined the concern regarding the aging of Utah's clinical workforce with a significant percentage of staff over the age of 50.

Utah's health care workforce development is hindered from meeting demand due in part to the current inability to increase educational capacity in training programs. The Nursing Leadership Forum reports that of the approximately 250 nursing faculty members, 40 percent are over 50 years old and 16 percent plan to retire in the next five years. Utah is not producing health care faculty at a rate to replace the expected retirement levels, nor at a rate to expand health care training capacity. In addition, health care education programs are more expensive due to faculty credentials, equipment and facilities costs, and low student-to-faculty ratios in some occupations. Utah's advantage of a surplus supply of qualified applicants is offset by the lack of capacity in our training institutions to accommodate them.

It is possible that Utah's health care labor shortage will compromise the quality and accessibility of health care, the stability of the health care industry, and the economic vitality of the state. However, the expertise to address these concerns is strong. With leadership and collaboration, Utah will address the wide array of issues necessary to assure the future health care workforce, keep the health care sector a strong economic engine, and support Utah's quality lifestyle.

Utah Economic Data Viewer Makes "Cents" for You

The Utah Economic Data Viewer, or the UEDV, an easy-to-use online tool developed by economists, is accessible through jobs.utah.gov and provides you with information that can save money for your business.

One useful feature of the UEDV is the list of **Utah Occupational Wages**. With this tool you can identify the standard rate of pay in Utah for the various occupations. This valuable piece of information can save your business money as you reduce turnover. For example, let's say you're paying an entry-level receptionist \$6.50 an hour, but the average entry-level receptionist in the area is earning \$7.90 an hour. This person may leave your company for better pay despite time and money you invested in training the employee.

The available data can be useful as you plan your company's future. As you anticipate growth and make budget projections, this data can assist you when looking at the possibility of hiring new employees. It also can give you an idea of what type of training level/education you can expect from your entry-level employees and how much time and money you would have to invest in training.

The UEDV also provides other information that can save you money such as population estimates, labor projections, and industry-specific information. While some companies pay thousands of dollars to access comparable information, all you need is jobs.utah.gov. Please take the opportunity to see what the Utah Economic Data Viewer can do for you!

Utah Department of Workforce Services

Executive Director's Office

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Salt Lake City, UT 84114-3100

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Employer Highlight

Contact Numbers

Western Region Counties Appear to Have Turned the Economic Corner *(continued from page 1)*

counties significantly outpaces job expansion rates at the state and national level.

What's Ahead?

What does this mean for the future? I always like to say that one month doesn't make a trend, but the indicators definitely point to improved economic activity in most of the Western Region during 2004 and beyond.

In addition, unemployment rates have edged down in most of the Western Region in recent months. However, they remain relatively high in Garfield, Wayne, and Sanpete counties where there is a strong seasonal component to the labor force.

Construction activity also seems to be picking up in most Western Region counties. Once again, Wayne County is the notable exception. County-level sales data for early 2004 are not yet available. However, we expect to see similar improvements in this area of the economy as well.

If you'd like to know more about your county's economy, please visit our web site, jobs.utah.gov/wi or contact your Regional Economist (that's me: Lecia Langston, 435/688-3115, lecialangston@utah.gov).

Business Consultants

<i>Beaver</i> -Dennis Matthews	(435) 438-5498
<i>Cedar City</i> -Bob Cranford	(435) 865-6548
<i>Delta</i> -Stacy Anderson	(435) 864-3860
<i>Fillmore</i> -Stacy Anderson	(435) 743-5304
<i>Junction</i> -Janet Butterfield	(435) 577-2443
<i>Kanab</i> -Barbara Larsen	(435) 644-8910
<i>Loa</i> -Becky Pace	(435) 836-2406
<i>Manti</i> -Kent Larsen	(435) 835-0722
<i>Nephi</i> -Carol Lange	(435) 623-1927
<i>Panguitch</i> -Jolene Costigan	(435) 676-8893
<i>Richfield</i> -Lela King	(435) 893-0016
<i>St. George</i> -Kimberly Johnson	(435) 986-3541